— Banks will have to follow the one mode of presence criteria laid down by RBI. Under this criteria, foreign banks can have a presence in the Indian markets through one of these forms; (a) branches (b) not more than one wholly owned subsidiaries (c) Joint ventures.

Problems of pepper farmers in Kerala

1739. SHRI THENNALA G. BALAKRISHNA PILLAI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the pepper farmers of Kerala have been facing a lot of problems forcing some of them to commit suicide;

(b) if so, the number of farmers who have ended their lives;

(c) the reasons for taking such a drastic steps;

(d) whether it is a fact that import of low quality pepper from neighbouring countries has resulted in drastic fall in the prices of pepper, whereas the pepper produced in India is of the best quality;

(e) whether the Central Government plan to take steps to protect the pepper growers of Kerala; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (f) The major reason for a fall in prices of pepper is the substantial increase in world production due to the entry of new pepper producing countries such as Vietnam which has created a glut in the World market. The Government has received reports about the distressed state of pepper growers in Kerala due to the decline in prices. The State Government of Kerala has reported some suicides in the Wynad District of Kerala which is the main pepper growing area. However, the State Government was not in a position to establish the cause of the suicides.

The Government of India has taken the following steps to help pepper growers:

- The Government has launched the National Horticulture Mission in May, 2005 with a view to take up the development of horticulture

crops including pepper, like increase in production and productivity, post harvest management and marketing, strengthening of infrastructure facilities, organic farming, processing and value addition.

- Issue of advance licenses for import of duty-free pepper has been suspended, except for light pepper.
- Sale of processed pepper products in the Domestic Tariff Area (DTA) by 100% Export Oriented Units (EOUs) has been banned.
- Spices Board is promoting the recently launched 'Flavourit' brand in order to increase demand of selected grades of pepper.
- Spices Board supports export oriented organic production of pepper.

Transport route for exports from India to China

†1740. SHRI RAM JETHMALANI.
DR. MURLI MANOHAR JOSHI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that transport route would be required for exports from India to China *via* Nepal;

(b) if so, whether Government held negotiations with Nepal in this regard;

(c) if so, when this negotiation was held; and

(d) the route in Nepal for the said purpose likely to be permitted by Nepal?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S ELANGOVAN): (a) and (b) Yes, Sir.

(c) The matter was first taken up in the India-Nepal Inter-Governmental (IGC) Meeting held in January, 2004 and the issue was again taken up at the India-Nepal Joint Secretary level meetings held on 1-2 November, 2004.

†Original notice of the question was received in Hindi.